



## ADVISORY REGARDING FINANCIAL DEALINGS WITH LOCATIONS OF SPECIFIC CONCERN

30 July 2010

On 25 June 2010 the Financial Action Task Force (FATF) issued a [Public Statement](#) with respect to the jurisdictions of **Iran**, **Democratic People's Republic of Korea (DPRK)**, and **São Tomé and Príncipe**. Accordingly, the Ministry of Justice and the Financial Intelligence Unit of the New Zealand Police advise financial institutions<sup>1</sup>:

1. to continue giving special attention to business relationships and transactions with **Iran**, including Iranian companies and financial institutions. Financial institutions should also continue to play close attention to correspondent relationships that they may have with Iranian financial institutions; and
2. to note strategic deficiencies have been identified with the AML/CFT regimes of **Democratic People's Republic of Korea (DPRK)** and **São Tomé and Príncipe**, which constitute money laundering and terrorist financing risks and vulnerabilities in the international financial system. Financial institutions should consider the risks arising from the deficiencies associated with each jurisdiction.

For more details concerning the specific deficiencies and risks associated with the jurisdictions listed above, financial institutions are advised to refer to the [25 June 2010 FATF Public Statement](#).

Financial institutions are also advised to take note of an additional document issued by FATF on 25 June 2010 as part of its on-going work and response to the G20: [Improving Global AML/CFT Compliance: On-going Process](#).

**Regarding Iran**, financial institutions are further advised to have regard to provisions in [United Nations Security Council \('UNSC'\) Resolution 1929](#), adopted in June 2010, as are relevant to your institution. The provisions broadly relevant to financial institutions are those set out in paragraphs 12, 21, 23 and 24 of the Resolution. These build on the financial restrictions already adopted by UNSC Resolutions 1737, 1747 and 1803 and implemented in New Zealand by the United Nations Sanctions (Iran) Regulations.

According to the provisions, financial institutions are advised to implement measures to prevent financial services (including insurance or re-insurance and the opening of representative offices or subsidiaries or banking accounts in Iran) being provided, including through branches abroad, where they have reason to believe that such services could contribute to Iran's nuclear weapons proliferation agenda. Measures include the application of enhanced monitoring to relationships with individuals and entities that could potentially act on behalf of, and entities potentially owned or controlled by (including through illicit means), individuals and entities involved with Iran's nuclear weapons proliferation agenda.

Financial institutions should refer to Resolution 1929 Annexes I, II and III, as well as the Annexes to previous UNSC Resolutions 1737, 1747 and 1803,<sup>2</sup> which list specific individuals and entities

<sup>1</sup> As defined in section 3 of the Financial Transactions Reporting Act 1996.

<sup>2</sup> In this regard institutions may also be assisted by the lists released by Australia, Canada, the European Union and the United States. At the time of release of this advisory lists by Australia, the EU and Canada are still under consideration. The list issued by the USA is available on the United States Department of the Treasury website: [www.treas.gov/offices/enforcement/ofac/programs/iran/iran.shtml](http://www.treas.gov/offices/enforcement/ofac/programs/iran/iran.shtml)

known to be involved in nuclear or ballistic missile activities, along with entities owned, controlled, or acting on behalf of the Islamic Revolutionary Guard Corps, and the Islamic Republic of Iran Shipping Lines.

Financial institutions should note that UNSCR 1929 will be implemented in a new set of sanctions regulations promulgated under the United Nations Act 1946. These regulations are currently under preparation and will supersede the UN Sanctions (Iran) Regulations 2007.